WHOLE EARTH REVIEW

November 16, 1995

Mr. Joel Solomon
Fax 604-689-7726

Dear Joel:

I've talked our board through the 25% issue, and they will go with it. They are as eager as the rest of us to wrap up these discussions and move on.

Another issue arose yesterday, though, one which the board considers more serious. As you may remember, we proposed originally that the three items of collateral we listed — the Zomeworks stock, the computer equipment, and the future *MWEC* royalties — be written into the contract as the sole remedies available to Endswell in the event of default.

As the contract was rewritten by Chuck Ortmeyer, that has been replaced by an open-ended, "Holder shall have the right to enforce any one or more of the remedies provided hereunder . . . and any such action shall . . . not otherwise prevent Holder from pursuing any further remedy it may have hereunder or at law or in equity."

As interpreted by our attorney, this gives Endswell the right to seek a judgment awarding it any Point asset. In particular, our attorney has counseled the board that, unless the loan documents specify otherwise, Endswell could — were Point to be in default on this loan — have the right to claim the name and copyrights of Point and *The Whole Earth Review* and in fact to be able to publish an entirely different journal using that name. This is unacceptable to our board. They consider themselves to be the custodians of the *Whole Earth Review* tradition and are not prepared to jeopardize that or to give it up by default. If the loan agreement does not protect against that option, they say they will not sign it. They say they would rather close than allow the name to be taken by another entity without their approval.

I don't think we need to get into a dramatic deadlock over this. We're talking very worst case, obviously. I've discussed this with Chuck Ortmeyer. He says it is possible to insert a clause exempting a claim to the Whole Earth title

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from the options for remedies, though that would be unusual. Doing that wouldn't compromise Endswell's ability to seek other compensation in lieu of the pledged securities, but it would leave our board feeling they had not acted irresponsibly in assuming this debt.

I will be very grateful if you can get back to me on this. I can be reached at the office the rest of the day and at home whenever I get there this evening. As far as I can see, it is the only remaining issue of any substance.

Thanks very much, again, for all your help.

Sincerely,

Mike

Mike Stone